BILL NO. R-81-07-20

RESOLUTION NO. R-Lusk

A RESOLUTION FINDING, DETERMINING AND RATIFYING AN INDUCEMENT RESOLUTION OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION AUTHORIZING THE ISSUANCE AND SALE OF $1,580,000.00 ECONOMIC REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, FOR THE PURPOSE OF INDUCING THE APPLICANT, CHI CHI'S, INC. TO PROCEED WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT.

WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is authorized by I.C. §36-7-12 (the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of said facilities, and said facilities to be either sold or leased to another person or directly owned by another person; and

WHEREAS, Chi Chi's, Inc. (the "Applicant") has advised the Fort Wayne Economic Development Commission and the Issuer that it proposes that the Issuer lease the same to the Applicant or loan proceeds of an economic development financing to the Applicant for the same, said economic development facility to be a full service restaurant and bar located in Fort Wayne, Indiana, and more particularly described as follows:

Part of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana, more particularly described as follows:

Beginning at a point on the South right of way line of Washington Center Road, said point being 45 feet South and 400 feet West of the Northeast corner of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana; thence South and parallel to the East line of the NE 1/4 of Sec. 23-31-12 a distance of 579.0 feet; thence West with a deflection angle to the right of 90 degr. 19 min. 40 sec. and parallel to the North line of the NE 1/4 of Sec. 23-31-12 a distance of 301.97 feet; thence North with a deflection angle to the right of 89 degr. 52 min. 00 sec. a distance of 579.0 feet to a point on the South right of way line of Washington Center Road, said point being 45 feet South of the North line of the NE 1/4 Sec. 23-31-12; thence East with a deflection

angle to the right of 90 degr. 08 min. 00 sec. and parallel to the North line of the NE 1/4 of Sec. 23-31-12 a distance of 300.0 feet to the point of beginning, containing 4.0 acres.

(the "Project"); and

WHEREAS, the diversification of industry and an increase in approximately 175 job opportunities to be achieved by the acquisition, construction and equipping of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, having received the advice of the Fort Wayne Economic Development Commission, it would appear that the financing of the Project would be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, the acquisition and construction of the facility will not have an adverse effect on any similar facility already constructed or operating in or about Fort Wayne, Indiana.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. The Common Council finds, determines, ratifies and confirms the promotion of diversification of economic development and job opportunities in and near Fort Wayne, Indiana and in Allen County, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer; and that it is in the public interest that Fort Wayne Economic Development Commission and said Issuer take such action as it lawfully may to encourage diversification of industry and promotion of job opportunities in and near said Issuer.

SECTION 2. The Common Council further finds, determines, ratifies and confirms that the issuance and sale of revenue bonds in an amount not to exceed $1,580,000.00 of the Issuer

under the Act for the acquisition, construction and equipping of the Project and the sale or leasing of such a financing to the Applicant for such purposes will serve the public purpose referred to above, in accordance with the Act.

SECTION 3. In order to induce the Applicant to proceed with the acquisition, construction and equipping of the Project, the Common Council hereby finds, determines, ratifies and confirms that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing, or as it may deem appropriate in pursuance thereof, provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant; and (ii) it will adopt such ordinances and resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development bonds.

SECTION 4. All costs of the Project incurred after the passage of this Inducement Resolution, including reimbursement or repayment of the Applicant of monies expended by the Applicant for planning, engineering, interest paid during construction, underwriting expenses, attorney and bond counsel fees, acquisition, construction and equipping of the Project will be permitted to be included as part of the bond issue to finance said Project, and the Issuer will thereafter either sell or lease the same to the Applicant or loan the proceeds of such financing to the Applicant for the same purposes.

_____
COUNCILMAN

APPROVED AS TO FORM AND
LEGALITY.

_____
John J. Wernet, Attorney for the
Economic Development Commission
Dated this 17th day of September, 1981.

Read the first time in full and on motion by V. Schmidt, seconded by Dia Quinta, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 19____, at _____ o'clock ____ M.,E.S.T.

DATE: 9-22-81

Charles W. Westerman /me
CHARLES W. WESTERMAN
CITY CLERK

Read the third time in full and on motion by V. Schmidt, seconded by Stier, and duly adopted, placed on its passage. ~~PASSED~~ (LOST) by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT	TO-WIT:
TOTAL VOTES	0	9			
BURNS		X			
EISBART		X			
GiaQUINTA		X			
NUCKOLS		X			
SCHMIDT, D.		X			
SCHMIDT, V.		X			
SCHOMBURG		X			
STIER		X			
TALARICO		X			

Last

DATE: 10-13-81

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL) (APPROPRIATION) ORDINANCE (RESOLUTION) No. _____ on the _____ day of _____, 19____.

ATTEST: (SEAL)

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

_____
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the _____ day of _____, 19____, at the hour of _____ o'clock _____ M.,E.S.T.

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this _____ day of 19____, at the hour of _____ o'clock ____ M.,E.S.T.

_____
WINFIELD C. MOSES, JR.
MAYOR

BILL NO. R-81-09-20

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON Finance TO WHOM WAS REFERRED AN ORDINANCE A RESOLUTION FINDING, DETERMINING AND RATIFYING AN INDUCEMENT RESOLUTION OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION AUTHORIZING THE ISSUANCE AND SALE OF $1,580,000 ECONOMIC REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, FOR THE PURPOSE OF INDUCING THE APPLICANT, CHI CHI'S, INC. TO PROCEED WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE ____ PASS.

No Recommendation

VIVIAN G. SCHMIDT, CHAIRMAN — Vivian G. Schmidt

JAMES S. STIER, VICE CHAIRMAN — James S. Stier

MARK E. GiaQUINTA — Mark E. GiaQuinta

PAUL M. BURNS

ROY J. SCHOMBURG

10-13-81
DATE

CONCURRED IN
CHARLES W. WESTERMAN, CITY CLERK

The City of Fort Wayne

ECONOMIC DEVELOPMENT COMMISSION

September 21, 1981

Common Council of the
City of Fort Wayne
One Main Street
Fort Wayne, Indiana, 46802

Re: City of Fort Wayne, Indiana, Economic Development Revenue Bonds - Chi Chi's, Inc. Project

Gentlemen and Mrs. Schmidt:

Please be advised that on the 21st day of September, 1981, the Fort Wayne Economic Development Commission passed an Inducement Resolution on the above-referenced Application. Pursuant to Indiana law and the informal request of the Council, enclosed please find the following:

Inducement Resolution of the Fort Wayne Economic Development Commission;

The Report of the Economic Development Commission;

The Application for Economic Development financing, including financial statement of the applicant and commitment letter; and

The Report of the City Controller.

The Commission requests that you consider these enclosures and the proposed financing contemplated thereby and adopt the Inducement Resolution submitted to the Council on September 21, 1981.

FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION

By: _____
John J. Wernet,
Counsel to the E.D.C.

cc: Ms. Debbie Shell
Chi Chi's, Inc.

The City of Fort Wayne

ECONOMIC DEVELOPMENT COMMISSION

September 21, 1981

Common Council of the
City of Fort Wayne
One Main Street
Fort Wayne, Indiana, 46802

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The Report of the City Controller.

The Commission requests that you consider these enclosures and the proposed financing contemplated thereby and adopt the Inducement Resolution submitted to the Council on September 21, 1981.

FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION

By: _____
John J. Wernet,
Counsel to the E.D.C.

cc: Ms. Debbie Shell
Chi Chi's, Inc.

INDUCEMENT RESOLUTION OF
FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
ON APPLICATION OF
CHI CHI'S, INC.

WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is authorized by Indiana Code §36-7-12 (the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of said facilities, and said facilities to be either sold or leased to the user or developer; and

WHEREAS, Chi Chi's, Inc. (the "Applicant"), has advised the Fort Wayne Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer acquire and equip an economic development facility and sell and/or lease the same to the Applicant or loan proceeds of an economic development financing to the Applicant for the same, said economic development facility to be a full service restaurant and bar located in Fort Wayne, Indiana, and more particularly described as follows:

> Part of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana, more particularly described as follows:
>
> Beginning at a point on the South right of way line of Washington Center Road, said point being 45 feet South and 400 feet West of the Northeast corner of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana; thence South and parallel to the East line of the NE 1/4 of Sec. 23-31-12 a distance of 579.0 feet; thence West with a deflection angle to the right of 90 degr. 19 min. 40 sec. and parallel to the North line of the NE 1/4 of Sec. 23-31-12 a distance of 301.97 feet; thence

North with a deflection angle to the right of 89 degr. 52 min. 00 sec. a distance of 579.0 feet to a point on the South right of way line of Washington Center Road, said point being 45 feet South of the North line of the NE 1/4 Sec. 23-31-12; thence East with a deflection angle to the right of 90 degr. 08 min. 00 sec. and parallel to the North line of the NE 1/4 of Sec. 23-31-12 a distance of 300.0 feet to the point of beginning, containing 4.0 acres.

(the "Project"); and

WHEREAS, the diversification of industry and increase in job opportunities to be achieved by the acquisition of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, it would appear that the financing of the Project would be of public benefit to the health, safety and general welfare of the Issuer and its citizens or the citizens of Allen County, Indiana; and

WHEREAS, the acquisition and construction of the facility will not have an adverse competitive effect on any similar facility already constructed or operating in Allen County, Indiana.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission hereby finds and determines that the promotion of diversification of economic development and job opportunities in Fort Wayne, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer, and that it is in the public interest that the Commission and the Issuer take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.

2. The Commission hereby finds and determines that the issuance and sale of economic development revenue bonds in an amount of approximately $1,580,000.00 of the Issuer under the Act for the acquisition, construction and equipping of the Project and the sale or leasing of the Proceeds of the revenue bonds to the Applicant, will serve the public purposes referred to above, in accordance with the Act.

3. In order to induce the Applicant to proceed with the acquisition, construction and equipping of the Project, the Commission hereby finds and determines that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing or as it may deem appropriate in pursuance thereof; provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant; and (ii) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds.

4. All costs of the Project which may be financed under the Act will be permitted to be included as part of the bond issue to finance the Project, and the Issuer will sell or lease the same to the Applicant or loan the proceeds from the sale of the bonds to the Applicant for the same purposes.

ADOPTED this 21st day of September, 1981.

FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION

Sidney R. Sheray

Timothy Borne

Charles M. Henry

Phillip A. Howard

Stanley Lipp

REPORT OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION CONCERNING THE PROPOSED FINANCING OF ECONOMIC DEVELOPMENT FACILITIES FOR

Chi Chi's, Inc.

Having been furnished certain data by the above applicant, and having had discussions with representatives of said applicant, the Fort Wayne Economic Development Commission now submits the following report pursuant to Indiana Code 18-6-4.5-16.

Description of Proposed Facilities

Acquisition of land and construction of a 10,500 square foot restaurant facility to be located on Washington Center Road, west of Coldwater Road within the City limits of Fort Wayne, Allen County, Indiana.

Estimate of Public Services Required

All public services, including water and sewage, now exist. No public facilities will be made necessary on account of the proposed facilities.

Total Project Cost

The total project cost for the purchase, construction and equipping of the facilities is estimated to be $1,580,000.00, including costs of issuance of the economic development revenue bonds.

Number of Jobs and Estimated Payroll

It is anticipated there will be approximately 175 new jobs created by this project with an estimated payroll increase of approximately $ 900,000.00 annually.

Adverse Competitive Effect

The construction of the facilities will not have an adverse competitive effect on any similar facilities already constructed or operating in or near Fort Wayne, Indiana.

Dated this 21 day of September, 1981.

Sidney R. Sheray

Charles Henry

Timothy Borne

Phil A. Howard

Stan Lipp

APPLICATION TO FORT WAYNE, INDIANA
ECONOMIC DEVELOPMENT COMMISSION,
FOR ECONOMIC DEVELOPMENT
REVENUE BOND FINANCING

(1) Applicant's name

Chi Chi's, Inc.

(2) Address of Applicant's Principal Office and Place of Business.

1939 Goldsmith Lane
Suite 110
P. O. Box 32338
Louisville, KY 40332

(3) Type of organization under which the Applicant does business (e.g. corporation, partnership, sole proprietorship, joint venture).

Incorporated in Minnesota

(4) Under the laws of what State is the Applicant organized?

Minnesota on December 8, 1965

(5) Business or business in which applicant is engaged?

Restaurant development, operation and franchising of high quality, full service Mexican restaurants.

(6) Is the applicant qualified to do business in Indiana?

Yes

(7) Please list names and titles of principal operating personnel.

Shelley Frank - President, Chief Executive Officer
Donald Stelley - Vice President, Operations
Daniel Auriti - Vice President, Legal
John Butorac - Vice President, Marketing

(8) Please list names of all persons or firms having an ownership interest of 10% or more in the applicant.

None -- Chi Chi's, Inc. is a public corporation with over 5,000 shareholders.

(9) Please list names of any persons who are both (a) shareholders or holders of any debt obligation of the applicant; and (b) officers or members of the Economic Development Commission; or members of the Common Council of the City; or members of the Allen County Council.

None

(10) Has any person listed been (a) convicted of a felony, (b) convicted of or enjoined from any violation of state or federal securities laws, or (c) a part to any consent order or entry with respect to an alleged state or federal securities law violation, in each case within ten years preceding the date of this application?

None

(11) What is applicant's net worth as of the end of the calendar or fiscal year quarter next preceding the date of the application?

$9,590,000.00

(12) How long has applicant been in business (a) under its present name, and (b) under any prior names? Please supply, if applicable.

(a) December 8, 1965 - John Stephens & Co., Inc.

(b) October 8, 1979 - Chi Chi's, Inc.

(13) What is the proposed amount of the bond issue?

$1,580,000.00

(14) How are the proceeds of the issue to be used? (Itemize by category of expenditure)

Land acquisition.- $300,000.00
Fixtures, equipment - $250,000.00
Building - $800,000.00
Architectural Engineering - $30,0
Construction Interest - $100,000.
Legal and Bond Issue Cost - $100,000.00

(15) If the proceeds of the issue are not estimated to be sufficient to acquire, construct and/or remodel, and equip the proposed project, itemize the additional expenditures which will be necessary and indicate the source of such funds.

N/A

(16) Where is the proposed project to be located? (Give street address and legal description as it appears on auditor's records).

(See attached)

(16) Where is the proposed project to be located? (Give street address and legal description as it appears on auditor's records).

Part of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana, more particularly described as follows:

Beginning at a point on the South right of way line of Washington Center Road, said point being 45 feet South and 400 feet West of the Northeast corner of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana; thence South and parallel to the East line of the NE1/4 of Sec. 23-31-12 a distance of 579.0 feet; thence West with a deflection angle to the right of 90 degr. 19 min. 40 sec. and parallel to the North line of the NE1/4 of Sec. 23-31-12 a distance of 301.97 feet; thence North with a deflection angle to the right of 89 degr. 52 min. 00 sec. a distance of 579.0 feet to a point on the South right of way line of Washington Center Road, said point being 45 feet South of the North line of the NE1/4 Sec. 23-31-12; thence East with a deflection angle to the right of 90 degr. 08 min. 00 sec. and parallel to the North line of the NE1/4 of Sec. 23-31-12 a distance of 300.0 feet to the point of beginning, containing 4.0 acres.

(17) Describe facilities to be constructed. (Provide architect's rendering if available).

The building will be stucco covered cinder block 10,500 square feet. Architect rendering will be provided later.

(18) Is the project solely within the city limits of Fort Wayne? (If not, give the name of the township and/or other municipality in which it is located).

Yes

(19) Is the property solely within the Fort Wayne Community School District? (If not, state the name of the School District in which it is located).

Yes

(20) What is the approximate size of the tract or parcel on which the property is to be situated?

Four (4) acres

(21) If the proposed project or a portion thereof is to be leased to another entity or entities, name the entity or entities and describe the portion to be leased. If no lease is contempleted, please indicate.

No

(22) What is the nature of the business to be conducted at this location?

Full service restaurant and bar

(23) Does existing zoning clearly permit construction and operation of the proposed project? Yes

(a) - What is the existing zone?

B-1-B

(b) - What zone does project require?

B-1-B

(24) Will the proposed project have ready access to (a) water, and (b) sewers? If not, state how it is intended to obtain access to those utilities.

(a) Yes
(b) Yes

(25) Are septic tank or other temporary sewage treatment and disposal facilities to be used in lieu of sewers?

No

(26) Describe briefly any adverse environmental impact anticipated by reason of operation of the proposed project, with particular reference to air, noise or water pollution.

None

(27) If the project is constructed, will any existing jobs be lost by reason of reduction or cessation of operations (a) in the City, (b) in Allen County, or (c) elsewhere in the State of Indiana?

No

(28) Describe briefly by category the nature of the new jobs to be created.

175 jobs will be created
10 - management
The rest will be waiters, waitresses, host, hostesses, bartenders, cooks, kitchen, maintenance

(29) State the number of new jobs to be created (a) immediately after the proposed facilities are placed into operation, and (b) within three years thereafter.

(a) 175
(b) 200

(30) What additional annual payroll will the new jobs generate (a) immediately after the proposed facilities are placed into operation, and (b) within three years thereafter.

(a) $900,000.00
(b)$1,300,000.00

(31) If the proposed project would not be approved for tax-exempt financing, is there any substantial possibility that loss of existing jobs would occur in (a) the City, (b) the County, or (c) the State of Indiana? If the answer to either (a), (b) or (c) is affirmative, what would be the approximate number of jobs lost and the approximate net annual dollar amount of payroll loss?

A. Yes - 175
B. Yes - 175
C. Yes - 175

(32) Has the proposed project been informally reviewed by bond counsel to determine whether it is in accordance with the applicable state and federal law? If so, by what firm of bond counsel? Yes

Attorney Steve Berger
Greenbaum, Doll & McDonald
3300 First National Tower
Louisville, KY 40202

(33) Have tentative or final arrangements been made for sale of the bonds? Describe briefly any such arrangements.

The bonds will either be sold through a public offering or private placement; a decision will be made prior to final approval.

(34) Describe briefly the proposed method of financing. (Direct, loan, lease, sale, etc.)

Direct

CHI CHI'S, INC.

Name of Applicant

BY: John D. Walda

Its: Attorney

Dated this 3rd day of September, 19 81

State name, address and phone number of person to be contacted and given notice about this applicant:

JOHN WALDA
P.O. BOX 2263
FT. WAYNE
423-9551

PBT

Prescott, Ball & Turben
CLEVELAND MEMBERS NEW YORK STOCK EXCHANGE INC. NEW YORK
900 NATIONAL CITY BANK BUILDING • CLEVELAND, OHIO 44114 • 216/687-4000

January 29, 1981

Mr. Daniel Auriti
Chi-Chi's, Inc.
P.O. Box 32338
1939 Goldsmith Lane
Louisville, Kentucky 40232

Dear Dan:

Enclosed herewith is an investment banking proposal relating to the financing of your proposed restaurants.

As I indicated in our conversation, the enclosed proposal sets forth several alternative methods of structuring and marketing the bond issues to be sold to finance the proposed restaurants.

Once you have had an opportunity to review the information contained therein, please give me a call so that we may discuss it more thoroughly.

Very truly yours,

Donald R. Chadwick
Partner

DRC/cah

Enclosures

PITTSBURGH NATIONAL BANK

PITTSBURGH, PENNSYLVANIA 15265

July 3, 1981

Area Code 412
355-2480

Mr. Daniel Auriti
General Counsel
Mr. Robert J. Ramsey
Vice President, Finance
Chi-Chi-s, Inc.
1939 Goldsmith Lane
Louisville, Kentucky 40232

Dear Dan and Bob:

I am pleased to inform you on Wednesday, July 1, our Senior Loan Committee approved a $2,500,000 revolving credit and term loan facility and a $1,500,000 letter of credit facility for Chi-Chi's, Inc. The terms and structure are noted below:

$2,500,000 Revolving Credit/Term Loan Facility

18 month revolving credit portion: 1/2% commitment fee
Prime plus 1/2%
10% balances on outstandings

7 year term loan portion: Prime plus 1%
10% balances on outstandings
Security will be a first mortgage on any unit owned in fee simple

Unless accepted, this commitment expires August 30, 1981

$1,500,000 Letter of Credit Facility

Term: 10 years, irrevocable

Fees: Placement fee of $5,000 plus 1/2% of letter of credit amount
Letter of credit fee of 1.5% per annum on balance outstanding

Security: Assignment of unit's first mortgage

Unless accepted, this commitment expires August 30, 1981

PITTSBURGH NATIONAL BANK

SHEET NO. TWO DATE 7-3-81

To Mr. Daniel Auriti, General Counsel
Mr. Robert J. Ramsey, Vice President, Finance

I have enclosed the terms and structure of three alternative tax-free financing plans which we are currently involved in. As you will note from the calculations, the effective rate after considering all front-end fees and letter of credit fees is quite competitive. In addition to the competitive rate, these plans are also easy to implement and provide greater flexibility than most other private and public offerings.

As we previously discussed, the balance compensation which is required under the terms of the revolving credit/term loan facility can easily be met by using Pittsburgh National Bank as your concentration and disbursement bank. Our expertise in cash management and the ability to offer you a controlled disbursing location will make PNB competitive with any other location in the Midwest.

I look forward to hearing from you relative to our proposal and to discuss the other services which we can provide Chi-Chi's.

Sincerely,

Jeffrey A. Fisher
Commercial Banking Officer
Corporate Finance/Specialized
Lending Section

JAF:w

Enclosures

INDUCEMENT RESOLUTION OF
FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
ON APPLICATION OF
CHI CHI'S, INC.

WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is authorized by Indiana Code §36-7-12 (the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of said facilities, and said facilities to be either sold or leased to the user or developer; and

WHEREAS, Chi Chi's, Inc. (the "Applicant"), has advised the Fort Wayne Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer acquire and equip an economic development facility and sell and/or lease the same to the Applicant or loan proceeds of an economic development financing to the Applicant for the same, said economic development facility to be a full service restaurant and bar located in Fort Wayne, Indiana, and more particularly described as follows:

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North with a deflection angle to the right of 89 degr. 52 min. 00 sec. a distance of 579.0 feet to a point on the South right of way line of Washington Center Road, said point being 45 feet South of the North line of the NE 1/4 Sec. 23-31-12; thence East with a deflection angle to the right of 90 degr. 08 min. 00 sec. and parallel to the North line of the NE 1/4 of Sec. 23-31-12 a distance of 300.0 feet to the point of beginning, containing 4.0 acres.

(the "Project"); and

WHEREAS, the diversification of industry and increase in job opportunities to be achieved by the acquisition of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, it would appear that the financing of the Project would be of public benefit to the health, safety and general welfare of the Issuer and its citizens or the citizens of Allen County, Indiana; and

WHEREAS, the acquisition and construction of the facility will not have an adverse competitive effect on any similar facility already constructed or operating in Allen County, Indiana.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission hereby finds and determines that the promotion of diversification of economic development and job opportunities in Fort Wayne, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer, and that it is in the public interest that the Commission and the Issuer take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.

2. The Commission hereby finds and determines that the issuance and sale of economic development revenue bonds in an amount of approximately $1,580,000.00 of the Issuer under the Act for the acquisition, construction and equipping of the Project and the sale or leasing of the Proceeds of the revenue bonds to the Applicant, will serve the public purposes referred to above, in accordance with the Act.

3. In order to induce the Applicant to proceed with the acquisition, construction and equipping of the Project, the Commission hereby finds and determines that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing or as it may deem appropriate in pursuance thereof; provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant; and (ii) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds.

4. All costs of the Project which may be financed under the Act will be permitted to be included as part of the bond issue to finance the Project, and the Issuer will sell or lease the same to the Applicant or loan the proceeds from the sale of the bonds to the Applicant for the same purposes.

ADOPTED this 21st day of September, 1981.

FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION

Sidney R. Sheray

Timothy Borne

Charles M. Henry

Phillip A. Howard

Stanley Lipp

REPORT OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION CONCERNING THE PROPOSED FINANCING OF ECONOMIC DEVELOPMENT FACILITIES FOR

Chi Chi's, Inc.

Having been furnished certain data by the above applicant, and having had discussions with representatives of said applicant, the Fort Wayne Economic Development Commission now submits the following report pursuant to Indiana Code 18-6-4.5-16.

Description of Proposed Facilities

Acquisition of land and construction of a 10,500 square foot restaurant facility to be located on Washington Center Road, west of Coldwater Road within the City limits of Fort Wayne, Allen County, Indiana.

Estimate of Public Services Required

All public services, including water and sewage, now exist. No public facilities will be made necessary on account of the proposed facilities.

Total Project Cost

The total project cost for the purchase, construction and equipping of the facilities is estimated to be $1,580,000.00, including costs of issuance of the economic development revenue bonds.

Number of Jobs and Estimated Payroll

It is anticipated there will be approximately 175 new jobs created by this project with an estimated payroll increase of approximately $ 900,000.00 annually.

Adverse Competitive Effect

The construction of the facilities will not have an adverse competitive effect on any similar facilities already constructed or operating in or near Fort Wayne, Indiana.

Dated this 21 day of September, 1981.

Sidney R. Sheray

Charles Henry

Timothy Borne

Phil A. Howard

Stan Lipp

APPLICATION TO FORT WAYNE, INDIANA
ECONOMIC DEVELOPMENT COMMISSION,
FOR ECONOMIC DEVELOPMENT
REVENUE BOND FINANCING

(1) Applicant's name

Chi Chi's, Inc.

(2) Address of Applicant's Principal Office and Place of Business.

1939 Goldsmith Lane
Suite 110
P. O. Box 32338
Louisville, KY 40332

(3) Type of organization under which the Applicant does business (e.g. corporation, partnership, sole proprietorship, joint venture).

Incorporated in Minnesota

(4) Under the laws of what State is the Applicant organized?

Minnesota on December 8, 1965

(5) Business or business in which applicant is engaged?

Restaurant development, operation and franchising of high quality, full service Mexican restaurants.

(6) Is the applicant qualified to do business in Indiana?

Yes

(7) Please list names and titles of principal operating personnel.

Shelley Frank - President, Chief Executive Officer
Donald Stelley - Vice President, Operations
Daniel Auriti - Vice President, Legal
John Butorac - Vice President, Marketing

(8) Please list names of all persons or firms having an ownership interest of 10% or more in the applicant.

None -- Chi Chi's, Inc. is a public corporation with over 5,000 shareholders.

(9) Please list names of any persons who are both (a) shareholders or holders of any debt obligation of the applicant; and (b) officers or members of the Economic Development Commission; or members of the Common Council of the City; or members of the Allen County Council.

None

(10) Has any person listed been (a) convicted of a felony, (b) convicted of or enjoined from any violation of state or federal securities laws, or (c) a part to any consent order or entry with respect to an alleged state or federal securities law violation, in each case within ten years preceding the date of this application?

None

(11) What is applicant's net worth as of the end of the calendar or fiscal year quarter next preceding the date of the application?

$9,590,000.00

(12) How long has applicant been in business (a) under its present name, and (b) under any prior names? Please supply, if applicable.

(a) December 8, 1965 - John Stephens & Co., Inc.

(b) October 8, 1979 - Chi Chi's, Inc.

(13) What is the proposed amount of the bond issue?

$1,580,000.00

(14) How are the proceeds of the issue to be used? (Itemize by category of expenditure)

Land acquisition.- $300,000.00
Fixtures, equipment - $250,000.00
Building - $800,000.00
Architectural Engineering - $30,0
Construction Interest - $100,000.
Legal and Bond Issue Cost - $100,000.00

(15) If the proceeds of the issue are not estimated to be sufficient to acquire, construct and/or remodel, and equip the proposed project, itemize the additional expenditures which will be necessary and indicate the source of such funds.

N/A

(16) Where is the proposed project to be located? (Give street address and legal description as it appears on auditor's records).

(See attached)

(16) Where is the proposed project to be located? (Give street address and legal description as it appears on auditor's records).

Part of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana, more particularly described as follows:

Beginning at a point on the South right of way line of Washington Center Road, said point being 45 feet South and 400 feet West of the Northeast corner of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana; thence South and parallel to the East line of the NE1/4 of Sec. 23-31-12 a distance of 579.0 feet; thence West with a deflection angle to the right of 90 degr. 19 min. 40 sec. and parallel to the North line of the NE1/4 of Sec. 23-31-12 a distance of 301.97 feet; thence North with a deflection angle to the right of 89 degr. 52 min. 00 sec. a distance of 579.0 feet to a point on the South right of way line of Washington Center Road, said point being 45 feet South of the North line of the NE1/4 Sec. 23-31-12; thence East with a deflection angle to the right of 90 degr. 08 min. 00 sec. and parallel to the North line of the NE1/4 of Sec. 23-31-12 a distance of 300.0 feet to the point of beginning, containing 4.0 acres.

(17) Describe facilities to be constructed. (Provide architect's rendering if available).

The building will be stucco covered cinder block 10,500 square feet. Architect rendering will be provided later.

(18) Is the project solely within the city limits of Fort Wayne? (If not, give the name of the township and/or other municipality in which it is located).

Yes

(19) Is the property solely within the Fort Wayne Community School District? (If not, state the name of the School District in which it is located).

Yes

(20) What is the approximate size of the tract or parcel on which the property is to be situated?

Four (4) acres

(21) If the proposed project or a portion thereof is to be leased to another entity or entities, name the entity or entities and describe the portion to be leased. If no lease is contempleted, please indicate.

No

(22) What is the nature of the business to be conducted at this location?

Full service restaurant and bar

(23) Does existing zoning clearly permit construction and operation of the proposed project? Yes

(a) - What is the existing zone?

B-1-B

(b) - What zone does project require?

B-1-B

(24) Will the proposed project have ready access to (a) water, and (b) sewers? If not, state how it is intended to obtain access to those utilities.

(a) Yes
(b) Yes

(25) Are septic tank or other temporary sewage treatment and disposal facilities to be used in lieu of sewers?

No

(26) Describe briefly any adverse environmental impact anticipated by reason of operation of the proposed project, with particular reference to air, noise or water pollution.

None

(27) If the project is constructed, will any existing jobs be lost by reason of reduction or cessation of operations (a) in the City, (b) in Allen County, or (c) elsewhere in the State of Indiana?

No

(28) Describe briefly by category the nature of the new jobs to be created.

175 jobs will be created
10 - management
The rest will be waiters, waitresses, host, hostesses, bartenders, cooks, kitchen, maintenance

(29) State the number of new jobs to be created (a) immediately after the proposed facilities are placed into operation, and (b) within three years thereafter.

(a) 175
(b) 200

(30) What additional annual payroll will the new jobs generate (a) immediately after the proposed facilities are placed into operation, and (b) within three years thereafter.

(a) $900,000.00
(b)$1,300,000.00

(31) If the proposed project would not be approved for tax-exempt financing, is there any substantial possibility that loss of existing jobs would occur in (a) the City, (b) the County, or (c) the State of Indiana? If the answer to either (a), (b) or (c) is affirmative, what would be the approximate number of jobs lost and the approximate net annual dollar amount of payroll loss?

A. Yes - 175
B. Yes - 175
C. Yes - 175

(32) Has the proposed project been informally reviewed by bond counsel to determine whether it is in accordance with the applicable state and federal law? If so, by what firm of bond counsel? Yes

Attorney Steve Berger
Greenbaum, Doll & McDonald
3300 First National Tower
Louisville, KY 40202

(33) Have tentative or final arrangements been made for sale of the bonds? Describe briefly any such arrangements.

The bonds will either be sold through a public offering or private placement; a decision will be made prior to final approval.

(34) Describe briefly the proposed method of financing. (Direct, loan, lease, sale, etc.)

Direct

CHI CHI'S, INC.

Name of Applicant

BY: John D. Walda

Its: Attorney

Dated this 3rd day of September, 19 81

State name, address and phone number of person to be contacted and given notice about this applicant:

JOHN WALDA
P.O. BOX 2263
Ft. WAYNE
423-9551

PBT

Prescott, Ball & Turben
CLEVELAND MEMBERS NEW YORK STOCK EXCHANGE INC NEW YORK
900 NATIONAL CITY BANK BUILDING • CLEVELAND, OHIO 44114 • 216/687-4000

January 29, 1981

Mr. Daniel Auriti
Chi-Chi's, Inc.
P.O. Box 32338
1939 Goldsmith Lane
Louisville, Kentucky 40232

Dear Dan:

Enclosed herewith is an investment banking proposal relating to the financing of your proposed restaurants.

As I indicated in our conversation, the enclosed proposal sets forth several alternative methods of structuring and marketing the bond issues to be sold to finance the proposed restaurants.

Once you have had an opportunity to review the information contained therein, please give me a call so that we may discuss it more thoroughly.

Very truly yours,

Donald R. Chadwick
Partner

DRC/cah

Enclosures

PITTSBURGH NATIONAL BANK

PITTSBURGH, PENNSYLVANIA 15265

July 3, 1981

Area Code 412
355-2480

Mr. Daniel Auriti
General Counsel
Mr. Robert J. Ramsey
Vice President, Finance
Chi-Chi-s, Inc.
1939 Goldsmith Lane
Louisville, Kentucky 40232

Dear Dan and Bob:

I am pleased to inform you on Wednesday, July 1, our Senior Loan Committee approved a $2,500,000 revolving credit and term loan facility and a $1,500,000 letter of credit facility for Chi-Chi's, Inc. The terms and structure are noted below:

$2,500,000 Revolving Credit/Term Loan Facility

18 month revolving credit portion: 1/2% commitment fee
Prime plus 1/2%
10% balances on outstandings

7 year term loan portion: Prime plus 1%
10% balances on outstandings
Security will be a first mortgage on any unit owned in fee simple

Unless accepted, this commitment expires August 30, 1981

$1,500,000 Letter of Credit Facility

Term: 10 years, irrevocable

Fees: Placement fee of $5,000 plus 1/2% of letter of credit amount
Letter of credit fee of 1.5% per annum on balance outstanding

Security: Assignment of unit's first mortgage

Unless accepted, this commitment expires August 30, 1981

PITTSBURGH NATIONAL BANK

SHEET NO. TWO DATE 7-3-81

To Mr. Daniel Auriti, General Counsel
Mr. Robert J. Ramsey, Vice President, Finance

I have enclosed the terms and structure of three alternative tax-free financing plans which we are currently involved in. As you will note from the calculations, the effective rate after considering all front-end fees and letter of credit fees is quite competitive. In addition to the competitive rate, these plans are also easy to implement and provide greater flexibility than most other private and public offerings.

As we previously discussed, the balance compensation which is required under the terms of the revolving credit/term loan facility can easily be met by using Pittsburgh National Bank as your concentration and disbursement bank. Our expertise in cash management and the ability to offer you a controlled disbursing location will make PNB competitive with any other location in the Midwest.

I look forward to hearing from you relative to our proposal and to discuss the other services which we can provide Chi-Chi's.

Sincerely,

Jeffrey A. Fisher
Commercial Banking Officer
Corporate Finance/Specialized
Lending Section

JAF:w

Enclosures

Admn. Appr._____

DIGEST SHEET

R-81-09-20

TITLE OF ORDINANCE Inducement Resolution for an issue of $1,580,000.00 Economic Revenue Bonds of the City of Fort Wayne for Chi Chi's, Inc.Projec

DEPARTMENT REQUESTING ORDINANCE Economic Development Commission

SYNOPSIS OF ORDINANCE A full service restaurant and bar located in Fort Wayne, Indiana, more particularly described as follows: Part of the Northeast Quarter of Section 23, Township 31 North, Range 12 East, Allen County, Indiana.

EFFECT OF PASSAGE Acquisition, construction and equipping of a full service restaurant and bar, creating 175 job opportunities, with an estimated payroll of approximately $900,000.00 annually.

EFFECT OF NON-PASSAGE None of the above.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) None.

ASSIGNED TO COMMITTEE (PRESIDENT)_____